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SERVICE DATE – MARCH 8, 2012

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35600]

Gregory B. Cundiff, Connie Cundiff, CGX, Inc. and Ironhorse Resources, Inc.—

Continuance in Control Exemption—Santa Teresa Southern Railroad, LLC

Gregory B. Cundiff, Connie Cundiff, CGX, Inc. (CGX) and Ironhorse Resources, Inc. (Ironhorse) (collectively, parties) have filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Santa Teresa Southern Railroad, LLC (STSR), upon STSR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in Santa Teresa Southern Railroad, LLC—Operation Exemption—Rail Line of Verde Logistics Railroad, LLC at Santa Teresa, Dona Ana County, N.M., Docket No. FD 35599, wherein STSR seeks Board approval to operate over approximately 12,000 feet of rail line owned by Verde Logistics Railroad, LLC in Santa Teresa, N.M.

The parties intend to consummate the transaction no sooner than 30 days after filing their notice with the Board (March 22, 2012).

CGX, a noncarrier holding company, is owned by Gregory B. Cundiff and Connie Cundiff. CGX owns Ironhorse, also a noncarrier holding company. CGX owns the following Class III rail carriers: Crystal City Railroad, Inc.; Lone Star Railroad, Inc.; Rio Valley Railroad, Inc.; and Mississippi Tennessee Holdings, LLC. Ironhorse owns the

following Class III rail carriers: Rio Valley Switching Company; Southern Switching Company; Mississippi Tennessee Railroad, LLC; Gardendale Railroad, Inc.; and STSR.

The parties represent that: (1) the rail line to be operated by STSR will not connect with any of the railroads owned by CGX or Ironhorse; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines with any other railroads in their corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

The parties state that the purpose of the proposed transaction is the achievement of operating efficiency and economy.

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than March 15, 2012 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35600, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington,

DC 20423-0001. In addition, a copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112.

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Decided: March 5, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.